

TESTIMONY

By

Brad Miller

Midwest Crane and Rigging

Before the

Senate Financial Institutions and Insurance

Opposing SB 91

February 15, 2017

My name is Brad Miller and I am here **in opposition to SB 91** concerning controlled insurance programs (Wraps) .

I am here to represent the American Subcontractors Association (ASA) and Midwest Crane and Rigging LLC.

The ASA is comprised of subcontractors and suppliers in the construction industry only and as past president of this organization, I realize the importance of this group to stay on top of issues that might jeopardize the construction industry. The ASA has been able to change laws in Kansas that benefit all of the construction industry with banning additional insurance and indemnity clauses in contracts. The Fairness in Construction Act has helped to insure prompt pay and has been used as a model that other States have used to protect their construction industry. It is the most comprehensive bill in the country.

Our association sponsored this legislation in 2009 and spent hours negotiating with other interested parties on this legislation. Some of our members thought that \$2,500 was too high for the deductible. After many meetings and hours of discussions, we compromised and accepted the \$2,500 figure. This bill would increase the deductible to \$25,000, this would be unworkable for many of the sub contractors and would keep them from bidding on projects with Wrap up insurance policies. Less competitive bids could mean higher bids and more costly projects.

Please vote no on SB 91.